

“Thought Leaders Summit” on Buzz Marketing

May 17, 2005

Moderator: Roy Young, MarketingProfss.com

Panel Leader: Stephan Spencer, Netconcepts

Panelists: Dave Balter, Buzz Agent
Luanne Calvert, Mixed Marketing
Ben McConnell and Jackie Huba, authors,
Creating Customer Evangelists
Jim Nail, Forrester Research
Jerry Neil, Buzz Matrix
Emmanuel Rosen, author, *Anatomy of Buzz*

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Roy Young:

Hello everyone, I am Roy Young, I am Director of Strategy & Development at MarketingProfs. It is my real pleasure to welcome you all today to MarketingProfs Thought Leaders Summit on the hot subject of Word of Mouth or Buzz Marketing, and you are all experts in the field. I hope you learn a great deal today. My job here is really just to hand it off to Stephan Spencer, our leader and our choreographer. Stephan Spencer is the founder and president of Netconcepts, a 10 year-old multinational web agency specializing in search engine friendly web design and ecommerce, as well as email marketing through Netconcepts' gravityMail division. Stephan is a Senior Contributor for MarketingProfs.com. He has also contributed to Catalog Age, Unlimited, New Zealand Marketing magazine, and others. He is co-author of the analyst report "The State of Search Engine Marketing 1.0 – New Strategies for Successful Cataloging" published by Catalog Age. He is a sought-after speaker around the globe for organizations such as IIR, IQPC, the Direct Marketing Association, SMEI, and the Internet World.

Stephan Spencer:

Thanks Roy, thanks everyone for joining us today, we have a wonderful panel of experts on Buzz Marketing.

First we have with us, **Dave Balter**, he is the founder and President of Buzz Agent, a leading Word of Mouth Marketing and Measurement Agency located in Boston. Dave is the founding member of the Word of Mouth Marketing Association, co-Chair of the WOMMA or Word of Mouth Marketing Association's Ethics Council and a frequent speaker to corporations and universities on the subject of word of mouth and non-traditional media. He was named to the 40 under 40 by the Advertising Specialty Institute in 2001 and top 7 individuals changing the face of beauty by Woman's Word Daily in 2004. He holds a BA in Psychology from Skidmore College.

We also have with us **Luanne Calvert** the founder of Mixed Marketing, a San Francisco based agency specializing in buzz marketing and serving such clients as Yahoo, Netflix, Fleishman Hiller Public Relations, NVidia, Friendster and Calvin Klein Cosmetics. Prior to her starting Mixed Marketing in 2002, she served as Director of Marketing for Yahoo. Her online and offline marketing efforts helped Yahoo achieve its current position as the worlds most trafficked website. Prior to Yahoo, Luanne served as Vice President of Marketing for apparel company Joe Boxer.

Ben McConnell and **Jackie Huba** are authors, speakers and trainers. Their book *Creating Customer Evangelists: How Loyal Customers become a Volunteer Sales Force*, published in four

languages, has been called the new mantra for entrepreneurial success by the *New York Times*, and an absorbing read but Harvard Business School. Together they pen regular columns for MarketingProfs.com and speak frequently at industry, association and company conferences. They also facilitate the creation of customer evangelism plans inside organizations. They write the marketing blog, Church of the Customer. Both Ben and Jackie live in Chicago.

Jim Nail is principal analyst with Forrester Research. As part of the Devices Media and Marketing Team, Jim's current research agenda addresses strategies and best practices in integrated marketing with a focus on how the internet can augment the impact of TV, print and other traditional marketing tools. His coverage includes Marketing's Changing Faces, Consumers Adopt on-Demand Media and is lead analyst on Marketing Measurement Techniques and Tools, Consumer Attitudes Towards Marketing and Word of Mouth Marketing.

Jerry Neil is Vice President of Client Services at Buzz Matrix, a word of mouth research and planning firm that helps companies listen to, measure and create strategies, act upon what people are saying online. He manages all client relationships and has responsibility for the development of client research studies and marketing programs and he is involved with the word of mouth marketing Association which Buzz Matrix has co-founded. Prior to joining Buzz Matrix, Jerry worked four years in multiple strategic roles at SBI Razor Fish, Jerry received a BA from Penn State University with a focus in Public Relations and Marketing.

Emmanuel Rosen is the author of *The Anatomy of Buzz: How to Create Word of Mouth Marketing*. The book is based on 165 interviews he conducted with researchers, consumers and executives who were successful in building Buzz for their brands. Prior to writing this book Emmanuel was VP of Marketing at Niles Software in Berkeley California.

So as you can hear we have a fantastic panel of experts joining us today so we are going to learn quite a lot about Buzz Marketing. So without any further adieu let us get started with our first question. What is the definition of Buzz marketing?

Emmanuel Rosen: Well, I actually looked in my book and there is no definition, there is the definition of Buzz which I defined as, "all the person-to-person communication about a brand." So I guess I would define Buzz Marketing as all the company's activities and efforts to stimulate positive person-to-person communication about the

brand, product and service and so on. I realize that this is a very broad and wide definition and that is probably a reason for some weaknesses in the definition, however, I strongly feel that really, buzz marketing is everyone's business in the company. It is not only about creating cute movies that people will pass on to their friends, although I think it can be a very effective tactic, but about everything from customer service to these movies or other tactics that we will discuss. So again I would define it as buzz marketing refers to all the company's efforts to stimulate position person-to-person communication about a brand.

Ben McConnell: Building on Emmanuel's definition, I think buzz marketing is anything that is tactical and short term, usually around product launches. You could say that buzz marketing is really a new and improved version of promotion strategy. But I think it involves anything that is online and offline involving Word of Mouth and the efforts around Word of Mouth. It is not scripting answers or lines for people to say, like certain administrations do, but it is more of providing an authentic word of mouth form.

Luanne Calvert: I think all those points made were really right on and very accurate. The one thing I would like to add though is ___ there has been an emphasis on ___ person-to-person and authentic and I also believe that in order to make things really scalable and also measurable with adding PR and publicity as a component that really adds to the buzz and adds to that via word of mouth, which is the way that I differentiate my company, is also I think a critical component of creating buzz on a large scale.

Stephan Spencer: Ok, Great. Jim what's the definition?

Jim Nail: Well I am going to take a little bit different tact than Emmanuel (and Emmanuel, very nice piece today on MarketingProfs). I am glad to see you confessing confusion about what some these terms mean because I know I have been scratching my head ever since the WOMMA conference about some of them and my colleagues and I are working on some of these things. But as I try to differentiate among these different terms, buzz marketing to me is coming at this issue from kind of a creative standpoint if you will. So you come at the idea of, "how do I get my product noticed and known" from the standpoint of, "I am going to create something that will get people talking and whether that publicity event or the Subservient Chicken," something like that. The marketer decides, "I am going to create something specifically that will get people talking," and then it is like a burrowed interest kind of application. It may not be about the product itself, like Subservient Chicken, does not have a lot to do with chicken sandwiches. But because

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of its association with the product then the product does get buzzed as well.

Stephan Spencer: Thanks Jim. And Dave?

Dave Balter: Sure, well I am going to build a little bit on what Jim said here. I certainly agree that these terms are being used interchangeably and when I say these terms I mean, buzz marketing, viral marketing, word of mouth marketing and all the other the non-traditional terms. It is pretty clear for us what the differences are, buzz marketing being an event or experience which is really sort of like the Big Bang PR Initiative. I would put something like Oprah's G6 campaign into that, really -- give away the Pontiacs on her show. I would disagree with Jim, I think Subservient Chicken is viral marketing where people use the internet and people's email or connectivity as a connectivity tool getting people to distribute to each other. But in a lot ways what people are really searching for in this is word of mouth which is the sharing of honest opinions between two or more consumers. And so while buzz and viral marketing might be able to stimulate conversation in a lot of ways, they can of cannot lead to word of mouth and that is something I am sure we will talk about throughout this show.

Stephan Spencer: Dave, so that very nicely leads into the next question. How is buzz marketing different from, say customer evangelism, viral marketing or some of these other terms that are being thrown around, and Dave, you have already alluded to some degree to this question with some interesting answers.

Jim Nail: I am going to pick up on what Dave said, because I think that is one of the things that makes these terms confusing as they do intersect and overlap, and just because you do a buzz marketing campaign there does not mean there is not a viral marketing component to it. So then was it viral, was it buzz, who knows? But again, to follow sort of my theme where I said, "buzz is where you come at the problem from kind of a creating perspective in terms of creating an event or something..." viral, to me, is when you come at it from more the media perspective and you are trying to plan: where are the places, people etc, where I can plant this message who will then help me accelerate the spread of it. To me, an example is the Tide Cold Water launch this year, where they went to the Coalition for Energy Efficiency or something like that. You know there wasn't a big product launch event to talk about but simply, "Here is a product, we think it has a benefit relevant to your group, help us get the word out," and it was very successful.

Stephan Spencer: Jackie, what do you think?

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Jackie Huba: Well, I think there is a distinction I am starting to feel between buzz marketing and viral marketing, and as somebody said, more of this big bang effect around usually a product launch versus what we sort of see as a long-term loyalty strategy, which is more around customer evangelism. Evangelism to us is a long-term strategy built over a number of months, years that is around emotional connection with the customer so that they will evangelize you; create word of mouth to other people. And you do not normally get such evangelism by a short quick buzz marketing campaign. So I think some of this is around more of a tactical promotional thing versus, we see word of mouth as a long-term evangelism technique.

Stephan Spencer: Okay, and Jim, did you have something to add on that?

Jim Nail: Yes, I think Jackie is making a very important kind of distinction there and I think of it in terms of two big buckets of word of mouth, whatever you want to call sort of a generic term of this. One is, as Jackie was saying about evangelism, it is a more natural longer term kind of phenomena and that you do not have to do big events, you do not have to do a lot of push, just a little bit of facilitation to help those evangelists help you out. And then there is the stimulated one where you do go out and you do something like a buzz campaign, a viral campaign, where the marketer is putting a lot more of the energy into getting the message moving.

Stephan Spencer: Great. Now, Dave did you have anything further that you wanted to add?

Dave Balter: No, I mean I think we have covered a lot of this. As we head into sort of I think some short term and long term value of this, we'll probably come back to some these questions.

Stephan Spencer: What are some examples of buzz marketing's use and practice?

Luanne Calvert: Actually I am going to refer to an example that was in today's Wall Street Journal, if anyone saw it -- Green Peace's project in Ice -- and I think it is a good example for two reasons. First of all it shows almost how regular you are hearing these stories about, you know, really excellent buzz programs that can come from anywhere and also because I think that it shows how important it is to be strategic and to do a program that really supports a strategic message. So which is why I questioned Subservient Chicken, like it is a great viral program, it is almost sometimes easy to get people talking but is it coming back to any kind of strategic message and sales of the product. But several ___ in

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case you did not see a Project in Ice, what they are doing is, they are going to have two Minnesota men who are trying to cross the North Pole in canoes and on foot to raise awareness about climate exchange. So what I think is great about this is ___ obviously you know they have the PR going but additionally what they are doing is they are going to have updates from the explorers on their website allowing people to make pledges to congress and getting friends to do the same, and then finally there is going to be an opportunity to win a five-day tour of the Brazilian Amazon for two. So what I think is strong about this is you have a lot of different elements that are mixed together, you have a great PR story, you have a story that is worth repeating, you have a charitable angle, you have a promotional element and you have something that has an online element to make it very viral. So anyway that is just one example I think of the many great opportunities that people are using to think creatively in getting the word out, creating buzz.

Stephan Spencer: Great, that is a great example. Ben, do you have an example?

Ben McConnell: Well actually if we were to categorize some examples, I can think of four categories and then a few examples with each of those categories. So, one category might be product sampling, it is a great way to be able to spread buzz. And since I live here in Chicago and try to get down to the world's greatest shopping district, The Miracle Mile, Michigan Avenue at least a couple of times a month. The Wrigley Company is always on Michigan Avenue, which is where they are based, handing out samples of gum and other different products all the time and probably seven out of ten people take a sample and people gather around that and so they are spreading natural buzz probably right away.

SalesForce.com is another strong example of a product sample that a lot of software companies do, but they took it to another level, where they made their product available for free for an entire year and that became the basis of their entire company launch and then eventually led to a pretty successful IPO. Blogs are another product or another category example of how you can use buzz to spread word of mouth. Stonyfield Farms is an often-cited example -- they have several blogs that they maintain and I think they have garnered them a pretty good amount of certainly press buzz, not to mention customer buzz. Publicity stunts are another type of buzz marketing category. Just anything with Richard Branson is a publicity stunt usually and it garners a pretty good amount of press and certainly a lot of word of mouth with whatever he is doing.

Luanne Calvert: I just did a program with him; I have to tell you about that after.

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Ben McConnell: Yes, he is pretty amazing for his buzz building techniques and the way that he thinks as well. And then certainly they are pretty standard now and I think they are somewhat more effective than others but the tell-a-friend functionality, pretty simple, pretty basic. Maybe, I am not sure of any figures out there of the number of websites that use these ____, it is somewhere in the neighborhood, I imagine, about 50% websites have some sort of tell-a-friend functionality built into it.

Stephan Spencer: Luanne, you were saying there is a great example of a Richard Branson related buzz story.

Luanne Calvert: I just did a program for Yahoo and what we did is for their small business products, we wanted to give someone a chance to win, tell me you-know-what on Yahoo, so we used Richard Branson as the judge to actually select who had the next big idea. So it was just interesting because first of all our connection was able to get access and certainly using him. Has anyone seen the contest at all? There has been an online component, has anyone caught that? It has got actually a good amount of entries and hopefully we will let you have access to him as far as the announcement. So it is great example of how you can use PR to really get the word out by using an appropriate spokesperson, someone who really adds to the message.

Stephan Spencer: Emmanuel, do you have some examples?

Emmanuel Rosen: Sure, again being consistent with my original definition, probably broader, I see it as a range of decisions and activities that effect word of mouth. It starts with a very broad spirit or attitude of your company. I think Jackie and Ben described it very well in their book, Creating Customer Evangelists, when they talk for example about Southwest, and attitude of your company really affect word of mouth in a large way because it affects the customer service and what customers ultimately tell their friend about how they were treated. It goes to product decisions, I mean I was for 10 years with EndNote and I can say very clearly, I am convinced that the #1 factor that affected the extent to which customers recommended our products to others, and we had about 40% to 60% of them who told us that is how they first heard about the product. The #1 factor was the product design, or rather more specifically, ease of use. So product decisions are part of buzz marketing in the way I see it. And finally it goes down to the tactical level, again not to the importance of the tactical level with promotions like Luanne just mentioned and others, or viral marketing or whatever you would define it as. So I see buzz

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marketing as a whole range of activities that stimulate customer A to pass on the word to customer B.

Stephan Spencer: Great, that is excellent, so let us move on to the next question. Is buzz marketing short term or long term, Dave?

Dave Balter: Sure, well I certainly think buzz marketing as a concept, as it relates back to our definition of an event or experience, is a short-term input. The goal of what I think a lot of people want to get out of it which is word of mouth is much longer term. So I will utilize some knowledge we have gained in sort of the word of mouth world as it relates to buzz, I suppose. We run many, many book campaigns in our business and last year we decided to run all, I think it was 12 book campaigns and keep them open for the entire year, solely to test the long-term value of consumer dialogue. And what we found was that after about 13 weeks people, it was really 13-15 weeks on most products, no matter how big the book was, no matter how incredible it was, and we had some pretty heavy hitting authors from Seth Godin to _____. After about 13-15 weeks people just sort of moved on and the window for their communications closed, no matter what you did they just sort of moved on. So we see every product, from a product perspective, as having a relatively finite window. From a brand perspective though we see much longer term value, we now build private systems for companies who can aggregate their own consumers and utilize them to build their brand over long term and that is because we see buzz marketing or word of mouth as something that the companies have to be doing as part of their entire process.

Stephan Spencer: Okay. Jim, is buzz marketing short term or long term?

Jim Nail: I think Dave hit on an important point there -- it is getting the balance right between short term and long term, and clearly he was talking about some very tactical executional things here which are clearly very short term things that are the kinds of things you do to see bumps in your sales this quarter. But where I think it is important for marketers to be thinking longer term is that this whole area of buzz, viral, word of mouth marketing ties into a larger trend that we are seeing in consumer behavior. Over the past 10 years that Forrester has been serving consumers on this which is that consumers are taking more and more control over their media, marketing, entertainment consumption decisions. And in order to still get the message out to them we have got to find new ways to connect with those people who really love a particular product, to give them more and more of it, and use them to help spread the word. So I would say the long term

aspect of it is the marketers needs to sort of shift their entire focus of thinking to be more long term and then use the short term tactics to sort of start to identify those evangelists and those brand loyalists so they can cultivate them over the longer term.

Stephan Spencer: All right, and Jerry, you wanted to expand on something?

Jerry Neil: No, I agree completely, I do think marketers need to be thinking more long-term around this. I think short-term word of mouth can actually be quite dangerous. You know, when you start to do things in a more long-term type of mindset that means that you are putting in measurement in an accountability matrix, and you are also starting to be able to track things on an ongoing basis. I think one of the fundamental differences that you have with word of mouth marketing versus traditional marketing is that conversation does not start until people start talking -- that word of mouth marketing does not start until people start talking versus your traditional marketing model where that perfect ad is crafted and it is put out there. What we have seen in our work is that once the word of mouth marketing campaign starts, that focus of those conversations can change very quickly. So even if you look at the Oprah G6 example, at first that initial word of mouth was very positive, this is brilliant marketing, this is so great that they are giving cars to needy people, but literally within 2-3 days the focus of that conversation changed dramatically to focus on something completely different around the whole tax issue. So again, when you are thinking in short-term you have got to be looking a little bit more long-term because I think that enforces a little bit more of a rigid type of ongoing look at things, and you have got to be able to stay on top of how conversation within word of mouth marketing is changing, because it does change and it does not really start until people start talking.

Luanne Calvert: I think what is interesting about that point that you are making, it was not really as much about consumer word of mouth, what made it successful and then unsuccessful was really the PR versus the individual word of mouth -- that is what made it measurable and visible. I was just wondering if you could comment on that.

Jerry Neil: I think what happened there was the tremendous amount of PR that came out -- obviously there was a new marketing technique, so that generated a tremendous amount of press and it did get consumers talking quite actively. You know we did a few measurements around that and one of the things that we saw was, (1) when people were mentioning the concept of the Oprah car giveaway to the actual consumers, I think the statistic was

something like 84% of people mentioned in the Oprah Car Giveaway were not linking it to GM, Pontiac or G6, they were just talking about it as *Oprah*. So the brand was not being linked into that. But the other interesting thing about that again was just how the conversation changed and started out amongst consumers being a positive thing, but then it really got to be that tax issue where people really started latching onto it and saying, “well what’s the point,” and that ultimately led to value decisions of this car versus that car, is it worth this type of money. But PR definitely obviously came in to jumpstart all of that.

Stephan Spencer: All right, Jackie, what do you think?

Jackie Huba: I want to go back to the important point that Jim Neil was making, which is looking at word of mouth being the goal that you want to create for the length of your business, but it is a long-term strategy. We have seen lots of studies saying that the companies who have more positive promoters actually have higher revenue growth, so it is part of your company strategy I think, now to differentiate that with buzz marketing which I think is the short-term, campaign-oriented, creative big bang, usually around a new product launch. However there are a few really creative ideas that have been around for a long time that started as a buzz marketing campaign, and I have to bring up the Oscar Myer Weiner Mobile which actually started in Chicago in 1936 and that thing is still out there today creating buzz. So I think it was a very creative idea; it cannot keep going but I think those are the probable exceptions to the rule.

Stephan Spencer: And Dave, you had something you wanted to ask.

Dave Balter: Yes, I just wanted to sort of close the loop on the G6 conversation because from our perspective, you know, from what we saw from this was a wonderful buzz marketing event -- you could not ask for a better person to give away your cars, and the power of the consumer creating the result, which is 30% lower factory cars and just terrible sales and the whole ____, and what this really points to is the limitations of buzz marketing in a way, which is you cannot fool the consumer, as good as an event you can create, as much noise, as much excitement, the consumer will always share honest, authentic word of mouth and that will lead to results. So if our recommendation to Pontiac would have been, “you better pick a product that people are going to like once they get it because you cannot move that on.” So this is sort of a big distinction between buzz and word of mouth for us.

Stephan Spencer: That is a great point. So lets move on to the next question. How does buzz marketing fit into the overall marketing picture? Jerry?

Jerry Neil: Yes, a few things on this. Number one, you know, I think is part of the overall puzzle, so word of mouth can definitely be looked at as a mass media, so starting to look at that almost from a media planning perspective -- what are the different things that you can be doing to incorporate that into your marketing mix -- I think is very important. But going a little bit deeper on that, I think again around this concept of it being part of the puzzle, a lot of the times when we are talking to clients we see that they have got good ideas around their marketing programs, they have got good ideas around a specific buzz marketing event. But what they are not doing is looking to see how they can apply buzz marketing across their entire marketing mix.

So how do you fundamentally not just stimulate conversation but make it easy for consumers to then share their thoughts and feedback and comments with other consumers? Is it, you are not our dealer and you have some type of, take your picture in the car, your test driving thing that can be sent to your friends and family, is it a tell-a-friend thing on a website, is it just the ability to easily share information? The other thing that we see a lot is that clients are often sitting on top of and not quite aware of existing viral assets that they have. So being able to look at things that you have, information that you look at as possibly trivial or something that is not exactly interesting to you, but you have thousands of evangelists or enthusiasts that would just love to get their hands on being able to make the most out of your existing assets from that regard -- so just a few different ways to look at it as one piece of the puzzle.

Stephan Spencer: Thanks, Jerry. Jim, what do you think?

Jim Nail: I think it fits in in a couple of ways and I will echo what Jackie was saying a moment ago about, at one level it is a very foundational base of your plan that again does not vary quarter to quarter. So you want to build that positive net promoter matrix that Jackie mentioned over time, so there is always a consistent level of effort against those brand loyalists to keep them in the fold and keep them excited about the product. But then on top of that, when you are in campaign development, I think it is a very legitimate question to ask, "Is this is a buzz worthy product launch event that we are doing?" and then, "How do we put the media plan in place, put the PR plan in place etc, so that we do get that kind of buzz happening?"

Stephan Spencer: Great. How about Dave?

Dave Balter: Buzz marketing and engaging consumers is definitely part of the overall marketing picture, and it is something that has to occur at this point and the reason is that it is not the traditional media who has lost its effect in this. It is not that it is going away -- traditional media is here to stay -- but its value has changed inherently.

Everybody knows the stats, we see 3000 ads a day, we filter out 95% of them, all these wonderful stats. But the reality is traditional media does still work in some ways, just works in an awareness generating capability. Where it does not work anymore is in driving credibility. We have been trained as consumers to become very skeptical -- everything is a tag line, everything is perfect, you know, every ad paints the best picture possible, and so where buzz and word of mouth fits in, is really about lending credibility. And so we see the picture of the future, your traditional media being augmented by engaging consumers, doing direct mail... but to get 0.4% up to 1% response rate, you are going to need to have consumers communicating about why it is time to take advantage of the direct mail that you receive that week. So we see it as sort of joined, you know, these two things working together.

Emmanuel Rosen: To follow up on what Dave just said, and what Jim said earlier, essentially this whole thing starts because customers are in control now, right, the people are very skeptical. I agree that advertising and traditional media is still an important role, but essentially the way I see it, this is yet another filter if you will, that all your decisions should go through, and any activity that you take, and again I take the whole range. A company marketing manager should ask himself or herself, how can I, using this decision and that decision has to do, you may have to do with an ad, the next ad, the next product feature, whatever, how can this affect the chance of a customer passing on a positive word of mouth about our company? So whether it is at the tactical... or a deciding on our next policy or our next pricing policy, that should be an underlying filter, again because customers are so skeptical, they are inundated with information and they are connected as we all discussed.

Stephan Spencer: Thank you Emmanuel. Ben?

Ben McConnell: I think buzz has to fit in and reflect a company's or an organization's overall feed or its theology or its cause, and that it is not a one-off buzz for the sake of buzz building tactic or

gimmick. It has to be something from which you are continuing to build a solid marketing foundation. So for instance, Southwest -- you take an airplane trip on Southwest sometimes and a flight attendant may be singing at the end of the flight, that is a terrific buzz building tactic or they are throwing peanuts down the aisle as it is taking off, another buzz building tactic that does not cost a lot of money, but it sure probably gets people talking about it as they go to their final destination.

I think also buzz marketing serves into the larger functioning role of marketing overall, because it probably provides a very fast feedback mechanism from which companies can latch on to what people are saying, how they are saying it, and then use that to either direct additional buzz marketing tactics or to make either very rapid product improvements, changes or target new markets.

Stephan Spencer: Great, so lets us move on to the next question. Who should own word of mouth and buzz marketing? The PR industry, direct marketers, media specialists, advertising creators, corporate in-house departments? Jerry?

Jerry Neil: Yes, this is a fun question. From our perspective we definitely see a pretty intense battle starting around who is going to own word of mouth going forward. I think that multiple disciplines can make good cases for it; you know in the PR side, their core competency within PR is developing and owning two-way relationships. So when you are talking about evangelists and influencers and encouraging direct relationships with consumers, PR makes a lot of sense.

However, word of mouth in general, for successful word of mouth, you are looking at a few key things that are crucial, number one is sort of again ongoing, being able to track conversations on an ongoing basis and understand what is already being said. That type of stuff as well as a channel-agnostic approach to understanding where word of mouth best fits into an overall marketing mix -- and that is sort of the key competencies of media planners -- their knowledge of the audience, their focus on ongoing tracking and their ability to develop channel-agnostic marketing approaches. So they also have a big play within this.

Advertising I think is another obvious one, just because they are often the sort of brand stewards within the circle of agencies that clients put around them. Interactive, you know, again with this focus of a lot of word of mouth taking place online as well as offline, you are seeing interactive agencies become much more involved in this as well. So we are seeing that all disciplines are

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really starting to develop dedicated word of mouth practices. Then there is really going to be a pretty fierce battle for what is becoming more and more dedicated budget. But in the end, I think what is going to happen is that word of mouth is big enough that all groups are going to have a stake in it and go from there. But it is definitely going to be interesting to watch over the next year or so.

Stephan Spencer: Thank you. So, Luanne could you comment on who should own buzz marketing?

Luanne Calvert: I think anyone who has the best ideas should own it. I think that the best ideas can come from anywhere. Actually when I was running the buzz group at Yahoo I ___ an idea that an engineer came up with. I think it can actually come up from any part of the company, it is not just about ___ equally about the execution in making things happen, so I fully believe that it can come from anywhere as far as traditionally with also showing that the rules are just ready to be broken. It is just the way that I worked with different companies, I worked with everything, working directly with a PR firm, with Fleishman Hiller, I have worked directly with departments within companies, like at Yahoo that had their own buzz group, I have worked to have a new business pitch with Jim Berry playing music and this will be the first time we have been exposed to the idea of doing a buzz marketing program. So I think that no one knows the rules, it is all a complete shift and it is a really exciting time.

Stephan Spencer: Great, and Dave, you had something to add?

Dave Balter: I do, I think we are all over thinking this a little. The reason we all want buzz marketing and word of mouth marketing is because it is so powerful, we all agree with that. But there is no way anybody is going to own it, because the consumer owns it, the consumer is the one who is doing it, the consumer drives it. He cannot fake it, he cannot fool it, he cannot control it, he cannot manufacture it. You can accelerate and augment it but all the rest nobody owns. So I think as marketers and experts etc, we ought to be considering what we are really trying to do here because none of us are going to own I -- we have got to look to the consumer first.

Stephan Spencer: What a great point, the consumer actually owns this. So, let's move on to the next question. When is buzz marketing not the right solution, Jim?

Jim Nail:

Dave, you actually set me a great place to start, because I could not agree with you more and I think that is the first place when it is not the right solution is when you think you are in control of a message, and particularly if you are desperate to create a message that you think is going to be exciting and you have no other great ideas other than, "Hey, lets do a buzz marketing campaign," then you know you are kind of in trouble.

The second one, I think, Dave, you are then one who also mentioned this too, with the Pontiac G6. If you have a bad product, for God's sake do not get anyone buzzing about it. David Ogilvy years ago said, "the best way to kill a bad product is great advertising," and I am sure you would agree that word of mouth marketing is another great way to kill a bad product.

And finally, Ben, I think you talked about a brand soul or the theology -- I call it the soul of the brand -- and I think we have talked about the need for authenticity and how word of mouth marketing generates that credibility that often advertising has not created. So again, if you have got a brand or a product that does not have that kind of soul, and you have got a campaign that does not have some authenticity and genuineness to it, your buzz marketing is going to fall flat and you had better rethink that before you get too far into it.

Stephan Spencer: Right, thanks Jim. Ben?

Ben McConnell:

Well, I want to build on what Jim said, which is first of all I think you do not use buzz marketing when you are trying to just goose up sales for the sake of goosing up sales and therefore you create a buzz campaign. So that is probably no-no number one.

The second no-no would be creating a buzz campaign in a rather contrived or monetized system. So there is both two examples and they are both from the fast food sandwich world. First would be Subservient Chicken, which was Burger King's attempt to be able to goose up sales for its chicken sandwich and Subservient Chicken had absolutely nothing to do with how good this chicken sandwich is or is not. And then the second example is McDonald's, just recently putting out a bounty for rappers to pay them if they mention Big Mac in their rap songs. So they are trying to buy culture at a highly contrived and inauthentic manner, and now of course the backlash online was people creating songs that were kind of serving McDonalds ____.

Stephan Spencer: And how about you, Emmanuel?

Emmanuel Rosen: In general I think that buzz marketing is important with the product is exciting, there is something to talk about. So conversely if we deal with a product is a commodity product, very boring product -- I know that there are exceptions and people talk about everything from, I mean if you go online and check, people talk about washing machines and people talk about vacuum cleaners as well -- but if you really want to get buzz going usually there must be something exciting and new about the product.

It also has to do with the audience that you are trying to reach. If you are trying to reach an audience that is very talkative, like young people, of course, then it makes a lot of sense to use that method. There are many groups that are very connected and talk a lot and that should be also a part of the decision. Once at a talk somebody asked me, "Can you think of any group of people who do not talk to each other?" and I had a very difficult time coming up with one, and somebody from the audience, "Well, there is this monastery of Trappist monks who have taken a vow of silence." And that was the only example I remember of people who are really, probably if you want to market paper clips to these people, buzz marketing is not the way to go because they will not really talk about it. Or to take it more seriously, when the players in your audience are very disconnected, it is probably not the right solution for you. You want to use other methods of marketing.

Stephan Spencer: Great. Jim, you actually had a question?

Jim Nail: Yes, we had a little side conversation going on the chat board here. The Burger King Subservient Chicken thing is an interesting case, because no, it did not do a thing to move chicken sandwiches. But lately Burger King's performance has dramatically improved, and it is kind of unknowable, or at least to those of us on the outside, it is hard to know how much of that improvement was due to the other things they were doing -- other new products, you know cleaner stores, all those kinds of service things that have also been part of their initiative. But the question that lingers in my mind, is if they had not done Subservient Chicken which changed the image of Burger King dramatically from being kind of the perpetual second in the category, kind of "they also ran," to "wow, this is an innovative funky company." Would people have ever come in and then once they get in they say, "yes they have got these new products and they have got really nice store environments, yes I think I will come back again."

So I think just tracking things to those immediate sales of that

product may overlook some of the bigger impacts that a good buzz campaign can do for a brand image.

Stephan Spencer: Great point. All right, well, let's move on. Next question is, what are the biggest obstacles to creating buzz? Emmanuel?

Emmanuel Rosen: I think the biggest enemy of buzz is routine. Just a month or two ago I went to an event in the automotive industry, and I do that from time to time, and it was really sad, that cannot be a better word, how much this event followed just the formula. There was nothing to talk about there. And I think that is where I see a lot missed opportunities -- companies that put together a lot of money and put a lot of effort into creating an event -- but there is nothing new in the event, there is nothing to talk about, and I was desperately looking for something I can talk about when I come home, because I also wanted to write something about it and I could not come with anything.

So the biggest enemy or biggest obstacle is routine. I would say the other thing is simply products that are not truly remarkable, and we all see products that try to do buzz marketing -- they try to get people going and talking about the product, but in the end you know the product itself is not unique.

The final obstacle, I think, sometimes the biggest enemy of your company is actually someone who is sitting at the front desk and annoying customers -- somebody who does not return phone calls, someone who does not respond to e-mails. People will not talk about a company that does not treat them well and I think that is a big obstacle. I mean, your company may be acting on several fronts and making me intrigued even through some clever viral marketing, but if I really do not like the company I am not going to recommend their product.

Stephan Spencer: That is a great point. So it is really about having the whole culture, kind of, but into customer centralism instead of just going through the motions. Jim, what do you think?

Jim Nail: I am going to second what Emmanuel said there and take it another step to say that, you know, I think marketers a lot of time are their own biggest barrier to creating word of mouth. Because they get very wrapped up in their products, and Emmanuel, I would bet at that auto show you were at, the marketers thought they had really cool new things because there was some tiny little improvement in the carburetor or something that they got all excited about, but they did not take that step back to say, "is this

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going to be important to the customer,” and I think that is probably one of the biggest barriers out there.

Stephan Spencer: Lets move on to the next question. Who does buzz marketing well? Emmanuel?

Emmanuel Rosen: My recent favorite is Red Bull. It is a company that I should add I did not research, I am more an observer here, the company that I research for the book where I interviewed both marketing people and their customers. But they are really doing something right -- it starts with a product that whether you like it or not, once you taste it, I think you have to say something about it. I personally do not like Red Bull, but I definitely talked about it once I tried it. And then they always come up or they seem to be coming up with something new all the time whether it is their Flugtag which is an event that totally involves customer in trying to fly man powered flying machines over a body of water, very entertaining.

Involvement is a very important part of creating buzz. The more someone thinks about the product, the more you allow someone to be creative, the more they are going to talk about it, and they seem to be doing it very well. They also work with, what I call network hubs or opinion leaders or whatever you want to call them, through their Red Bull Music Academy which is really their way to, very gently I should say, recruit DJs in different countries, and that is an event that thousands of people apply to for. They want to get in and only I think 55 or 60 people are accepted. But it is obviously in itself an event that creates buzz in this community of DJs that is influential in many ways.

And finally they also use a principle that I call uneven distribution of information. It is a very well known phenomena that when something is not available to you, you tend to want it and definitely want to talk about this. So when they get into a new market they are, of course, very selective, and they do not go for mass distribution immediately but first go with selected outlets, of course, the cooler place that they choose. They 're advertising, they still advertise but their advertising is more in order to reinforce a message rather than introduce it in a market. So I think they are doing a very interesting work.

Stephan Spencer: That is very interesting. Luanne?

Luanne Calvert: As far the companies that I think do buzz marketing well, I realize that the two most important criteria for me to do well was to do it consistently and with a strategic method. I feel like those are the two really important criteria. And one group that I came up with

who actually I think does it really well is PETA, People for the Ethical Treatment of Animals.

The New Yorker came out about six months ago with a really thoughtful article about the kinds of strategy that they develop, that could create their brand, which is really not controversy, how they do not spend a lot, they are always in the news, they use the media really well, they get people talking about their stunts, they use street teams really well and they are low cost. So I think they are a great example of someone who does buzz really well.

Another one I think is Taco Bell, if you remember, it has just been a few years now but they put a target in the middle of the Indian Ocean and said if the Mir space ship landed on it, then everyone in America got a free taco to remind people about their product, and I thought that was really smart and also low-cost.

And then finally Target, I think, actually does a great job. To generate sales on Black Friday they allowed people a wake-up call so they would... celebrities that would call your house, a lot of quirky different kind of range of celebrities would call you early in the morning and remind you that you could shop in Target at 6:00 am. —

I mean it goes on and on, just because I think mostly it is about not having strategic methods, like Subservient Chicken was a great example of viral marketing that got the word of mouth going but I am still challenged to see what the strategic message was back to the product and how it influenced sales. I think anyone can do something shocking or different, you know, the CEO can do an interview nude and get a lot of buzz on TV but it does not really tie back to the product and to product sales.

Stephan Spencer: Very true. Dave, you had something you wanted to add?

Dave Balter: Yes, I just wanted to add, Emmanuel said something very interesting which is that he does not like Red Bull but he still talks about it, which is great and it is exactly what Red Bull has done that is fascinating. There are a lot people who do not like Red Bull and it is why they are not doing buzz marketing but word of mouth marketing, which is that people talk about Red Bull as a concept and idea about much than the taste of the product. They talk about the cool events which Emmanuel just talked about, how it is mixed, where it all started, about this amazing CEO and how hard it was to get it approved, all this stuff. And so when it gets down to sort of the concept of Red Bull it is really about all these elements combined that get people talking, not just the

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product itself. And I bring it up because a lot of people do just think of just the product as the only thing people talk about, but in the end there are a lot different variables which end up making up the word of mouth about a product.

Stephan Spencer: All right, let's move onto the next question. Describe a buzz marketing campaign that was remarkable.

Jackie Huba: I think one of the best examples of a very well-integrated buzz marketing campaign was the launch of the Mini Cooper, and playing off what Luanne said, they had a very consistent message and a very strategic message which was about motoring, about the joy of driving and their titling was "Let's Motor," and they also played off the terrific design of the car and the fact that was, I think it still is, the smallest car on the road.

So, a couple of things that they did, instead of launching into millions of dollars of TV advertising, which we often see with a new car launch, they would do things like, they would bolt a Mini Cooper on the top of a huge SUV and drive it around certain cities and the sign said, "Let's Motor." They would also put cars in the stands of Major League Baseball games and so certainly the car itself is buzz-building when you see it, but they placed it in certain contexts that caused you to talk about it.

They had a great website where you could actually architect your own Mini, add all the different features, very customizable and then of course send that design to a friend -- so a great example of doing that. So they had this very integrated campaign, even doing some print ads that were different and I think it caused a lot of people to take notice, and of course they have had waiting lists for a long time. So as an example of a well-integrated I think this one is a nice model.

Stephan Spencer: And Jim, a remarkable buzz marketing campaign?

Jim Nail: I am going to take kind of the opposite track of Jackie and talk about one, not because it was big and well-integrated, but because it was very small and focused and I think strategically very consistent with itself and that was the one I mentioned before, the Tide Cold Water example.

So Tide did this brand extension, they will be using cold water and they determined that one of the benefits would be energy savings, and they did not try to convert the entire world to become cold water laundry people. They did not try to create some -- the thing we keep jumping on poor Subservient Chicken -- but they did not

try to create something that is really giving you 14 million unique visitors to the website. They said we have this product, we know there is a group out there concerned about this issue, we are going to go straight to those people, we are going to put the product in their hands and just turn it over to them. And I thought that was a very intelligent way to scale the buzz marketing to the appropriate level for that given product.

Stephan Spencer: Great. Emmanuel?

Emmanuel Rosen: Still one that comes to mind is really a historical case. I still think the ultimate buzz campaign was the introduction of Trivial Pursuit, the game in 1983 or 1984. The woman behind that campaign was Linda Pezzano. She passed away, but I was still lucky to talk to her in 1998, and they did again a lot of things to really accelerate, to talk about the product. It ranged from uneven distribution of information -- they sent advance copies to celebrities who were mentioned in the game. She sent out mystery envelopes with one card from the game at a time to buyers in toy stores before ____. She did grass root efforts where people went out to bars and other places and started playing the game with people, so they start talking. The celebrities, by the way, started having trivia parties and mass media also played a role in a way. She did a deal with 150 radio stations with a trivia ___ in each station started giving away these games. This was a very well-planned and executed campaign. Trivial Pursuit sold 20 million copies in 1984 and it was not a cheap product.

I think it all goes back to the foundation however. Trivial Pursuit back in the early 80s was a very unique product. There wasn't any game like this before, a game with no picture of a happy family on the cover for example, and with 600 cards in it and so on. So it was a unique product, something I call a contagious product in a way. On top of it a lot of energy, and someone who looked for a lot of creative ideas on how to start conversations around that product.

Stephan Spencer: Great, let's move on to the next question. What are your top most effective buzz marketing tactics? So please, share some of your really best how to tactical information for our listeners. Luanne?

Luanne Calvert: Well, I guess this is my chance to create a buzz on Mixed Marketing, but if you go to MixedMarketing.com you will find ten of them. But I would boil it down to the top three that I think are the most important, are first of all being able to create a story that both consumers and the media will find interesting and relevant.

The second is that it is really simple, this can be something extremely simple with both the story as well as a visual to along with it ideally and then finally that it is strategically sound. So I feel like those are the three most important tactics.

Stephan Spencer: Great. Emmanuel?

Emmanuel Rosen: Again I would say that it all starts with a product, and I have a principle I called, 'add a contagious element to the product.' The Palm Pilot -- the reason why people talked about it so much was partially because it is a wow effect. The other reason was that it was visible.

Sometimes when I tell people this they say, "Okay, but this is not part of marketing." Well, I disagree. I think that part of marketing is to think of how the product itself can generate buzz. I mean one example that comes to mind is Lance Armstrong campaign to raise, you know, the fund raising campaign against cancer is strong. Someone there made a decision to make the campaign visible through the yellow bracelet, and that was a brilliant decision that it is really the product itself and that started conversations.

There are many other examples -- someone at Polaroid made a decision to include glue on the back of pictures that the iZone camera produced, so it turned into a sticker. You turn a picture into a sticker that you give to kids, they are going to do one thing with it, they are going to start sticking it everywhere around schools, so you had all these pictures that started appearing around school and you had a product that in a way was contagious. And there are many other tactics but I would encourage you to start by thinking about how they add this contagious element to the product itself.

Stephan Spencer: All right, lets move on to the next question. What are common mistakes marketers make when trying to execute a buzz marketing campaign? Dave?

Dave Balter: Well, there is a number. The first and the most obvious is that we have all been trained to look for a specific audience of consumers to be involved in buzz marketing or word of mouth marketing and everybody has got their turn from, Emmanuel has got hubs, which I actually believe fully in about hubs and alphas and ___ and influentials and trend setters and sneezers and connectors, we have all got these wonderful terms. But as Emmanuel just outlined the Lance Armstrong campaign, that was thoroughly brought to the mainstream by everyday people, so I think the first

mistake a lot of people make when they try to execute a campaign is try to look beyond their own customers -- look beyond the everyday person who really does really communicate with others. I mean if you think about your own day, who are you communicating with, its likely the majority are just non-influentials.

A couple of other things we see often is that when we build a campaign we do not look at just the ideal demographic as being involved in the campaign, so marketers often talk about targeting customers and capturing them and when they do that they say, "Lets' build a campaign, we will target the perfect customer here." But what we see is who is talking to the customer that you are trying to reach. And often times that can be a very different consumer, it can be a very different person. So, moms talk to their kids and husbands are influenced in the clothes they buy by their wives and all these sorts of things. But then the last and the most important which I think everybody on this call really focuses on which is what the mistake being made is, a lot of people try to be inauthentic in ways. They try to be deceptive, they do things to fool the consumer and as we stated earlier, the consumer cannot be fooled. The truth is going to be found out, so word of mouth, buzz campaigns have to involve honesty and authentic information.

Stephan Spencer: Jerry, you have something to add?

Jerry Neil: Yes, real quick, I think the mistake that we see marketers making are that they too frequently jump into word of mouth marketing campaigns. There is this misperception that they cannot do traditional planning for that, so a lot of what we recommend is again just sort of studying the way that people already talk about your product or figuring out the things that get them talking naturally, and then being able to base your campaigns off of that. And that becomes, I think, pretty crucial into developing successful programs.

Stephan Spencer: Dave was talking about everyday people versus the sneezers, connectors, mavens and so forth, let us actually get back to that for a moment. Look at what are the tips and tactics for effectively identifying and targeting those most prolific influencers, those sneezers, connectors, whatever you call them, those people that are most likely to spread your message, your buzz.

Emmanuel Rosen: Okay, this is a topic we can talk about for two hours, but I will try to be brief. It is a very complex issue that has been researched since the 40s and there have been many debates about. But

essentially I feel the following way. First of all, any time that you stimulate discussion in the networks using all the tactics and strategies described earlier, actually you are more likely to expose these people who are more central, people who have more friends, to your message, because people who have more friends are actually more likely to hear about these things. Some of these people also come to you for information.

One of the characteristics of network hubs as I describe is that they are information hungry, they love information, especially the expert hubs or the mavens, because that is what they feed on right, that is what they give to the people around them. So that is an important way to identify them and it is really critical for people in the organization to understand that people who ask a lot of questions should not be scared away. Now it is not guaranteed that everyone who asks a lot of questions is a network hub or a sneezer or whatever, but there is a good chance that they are.

You can also identify them by category. One case I talked about in the book is the case of Power Bar, and Gatorade does it also. Coaches are obviously people who influence the decisions of athletes. This idea is very simple conceptually but it is very complex in execution. But anyway, sometimes you can identify these people by category, you can also spot them in the field, and in general I agree with Dave that there are many opportunities where you don't necessarily have to find an opinion leader, that is one reason I did not use the word opinion leader in the book, because it is not a leader, it is not someone who everyone followed, it is someone who talks and loves to talk and he has many friends or many connections.

There are and I feel that we will see more and more and also methods to identify these people more systematically and more scientifically through surveys. Tremor is one organization that does it with something called self-designating methods where people basically report on their action, on their characteristics of the hub, of course it may not be as reliable as other methods but it is a very easy method to implement and can give actually good results and there are a variety of other methods to actually plot the network of people and who they are connected to.

Stephan Spencer: Great. I am sure you could go on for two hours, this is really meaty stuff. Jerry, lets move on to you.

Jerry Neil: The way that we go about what I think is a good opportunity, to identify influencers, is looking at this phenomenon that is taking place around sort of your traditional influencer -- that mom that

always told the other moms what to get for their kids for lunch, or the dad at the family barbecue who told everyone else what to get when they were looking for a new car -- those people have moved online now. So instead of impacting 10 people within their personal network, they are now impacting tens of thousands.

So the way that we work with clients who go about this is to actually study online conversations, to find the people that talk, not just most actively around a particular topic, but most influentially, who are the people that are specifically sought out by consumers within these large communities to answer specific questions on very specific topics. So we are looking for people that have again demonstrated knowledge and relevant advice to give to people, people whose messages are well-received and read a lot as well as people that might have a professional role. So we can help the health care world, who often see doctors or nurses or dieticians posting to online communities or blogs and those people tend to carry a lot of influence as well. So we study online conversations to find the people that drive them and then help clients build relationships with them and involve them in word of mouth programs.

Stephan Spencer: Thanks, Jerry. Ben?

Ben McConnell: Well, the term that I am going to throw into this gumbo of terminology is evangelism. So, our recommendation would be to identify your evangelists, the people who not only buy from you and are loyal to you but spread the word about you as well. And for a lot of organizations this could be roughly 20%-25% of your customer base.

The way that you find your evangelists is first of all, measure who is talking about you, who is referring you new customers and so you would identify your referrers or you would go to your call center logs and find out who is calling in most frequently and if they are calling in with suggestions or ideas, or new ways for you to get the word out. Certainly measuring what the blogosphere is saying and what bloggers or fans on blogs are saying about you is a good way to be able to connect with them and to contact them directly via e-mail or call them or invite them into a product demonstration or into a beta program. And then also asking for your referencable customers, identifying them, pulling them into the marketing planning, into the strategy development sessions -- those are a good way to be able to probably spread buzz at a very fundamental and strategic position.

One thing that comes up frequently is, "well, what if I don't have

an evangelist base, I am a new company or I have got a new product going on.” And I think the best way to find your evangelists or your sneezers or the people who are going to spread buzz is the category evangelists, pull them into the planning session and incorporate them into what you are going to do so that they become the owners of buzz marketing programs.

Stephan Spencer: Those are some great suggestions. Thanks, Ben. Next question: Will buzz marketing become more difficult to do effectively over time, or will it get easier? Jim?

Jim Nail: I think there is no doubt it can do nothing but get harder, especially as more and more marketers try to do it. It is just kind of human nature when something is kind of new and has not been seen before, that by itself is a reason to buzz. But then as it becomes more commonplace, it gets harder and harder to come up with the kind of idea or the kind of thing that generates that kind of buzz.

Lets us look at what has happened to Superbowl advertising. There is still a lot of buzz about who will be on the Superbowl, but over the last two years it seems like the buzz has all turned into how disappointing all the ads were and how they do not live up to the buzz that happened before, to the point where I think some of the best buzz from this year’s was that before the Superbowl when Anheuser-Busch made the magnanimous announcement that they would pull their Janet Jackson parody commercial so that they would not upset the delicate senses of the viewers of the Superbowl. So I think it can do nothing but get harder.

On the other hand, I think that is why I pointed to the Tide Cold Water example, if you have the right message, if you have right product and you get it to people who really care about that message, it will always be possible to generate some buzz.

Stephan Spencer: Great, next question. Describe the role that new technologies play in creating buzz, these are things like blogs and pod casts, peer-to-peer, BitTorrent, cell phones, Moblogging, iPods, RSS feeds, ___ etc., etc. Jackie?

Jackie Huba: I think there is a lot of talk about how companies who are trying to promote products and do buzz marketing will use these technologies, but I think what is more interesting is the trend of what we will call citizen marketing, and that is customers or consumers using these technologies to do buzz marketing for you. And we have seen lots of examples of, what are really just general public out there having lots of skilled access to tools to create

media to help amplify the word of mouth for a product. For example there was the great shot that Tiger Woods did at the Masters and within just hours a gentleman named Joe Jaffe had made a commercial for Nike based on that shot and the buzz for his, if you will say commercial, was all over the blogosphere and got a lot of buzz, and two weeks later the ad agency had a commercial based on that which was actually not very good.

The key is I think for companies who will embrace customers to help create the buzz through the customers creating the media, and I think one great example there is Converse, who has a great campaign running called the Converse Gallery, where they are taking amateur filmmakers and creating really creative clips that they are then showcasing on their website, Converse Gallery. They are actually taking some of those clips and changing them into commercials that can be broadcast on MTV, VH1 and a number of other outlets. So I think the key is, yes, we as companies can embrace these technologies but how do we embrace these consumers who are already creating media to sort of help us amplify that message.

Stephan Spencer: Great point. Emmanuel, what do you think?

Emmanuel Rosen: I think one important contribution of technology is that it creates what I call an explosion of weak ties. I am sure many of you are familiar with the work of Mark Granovetter, *The Strength of Weak Ties*, the idea that most information that is new comes to you not from close friends and people that you spend a lot of time with but with acquaintances, people with whom you have weak ties. And 20 years ago you talked mostly to people around you, people who are at work, people that you see on a daily basis, your family and you still do, but what the internet really does, and other technologies, all technologies that we mentioned here, the question, it creates also an explosion of your weak ties, that is, it is very easy to keep in touch with a lot of people and a lot of these stories that you hear about come from these people. Someone that you worked with five years ago suddenly tells you about the new hybrid car that they bought and so on.

At the same time it actually has another impact in the opposite direction, it creates also a lot of noise. We always talk about the noise from the media but the truth is that all the customer-created media that Jackie was talking about also simply adds on to all the media that we see on TV and were exposed from other sources, so we will have also more and more noise coming from different directions. Another part of it that I think Jackie mentioned is very important is that it allows people not only to

talk one on one but also to broadcast information. People can pod cast or broadcast or just send an e-mail to a hundred of their friends about something they are very excited about, very important.

The bottom line is that more people on this planet will be spending more time connected to each other, and when people are connected to each other, that is they have a method of communication, they talk, and they do not talk about products and services primarily but since product and services are an important part of our lives, there will be proportionately also more time that will be spent talking about products, services and brands.

Stephan Spencer: Great point, it is like you have an amplification effect of the buzz and the noise and you also have this kind of network effect happening as well, so it is pretty exciting times, and it is only going to get more exciting I think. Jim, what do you have to add?

Jim Nail: Emmanuel really got me thinking there, his comment about the weak ties, and I think it is not so much about the technology. I think it is that issue about the weak ties that is really going to determine what impact these technologies ultimately have because when we forwarded stuff to our friends, the people who received it know you, they know your credibility on the topic and they know whether they are going to read or ignore what you said them. With all these weak ties you really have no idea who these people are creating, you know those commercials or creating this blog about a particular and so you do not know whether what they say is legitimate or not. So I think for these kinds of technologies to ultimately have an impact, at least from the consumer generated media side, you need to kind of combine those with an Amazon or eBay type rating system so that there is some endorsement of whether this entry really has any validity or not.

On the other hand, I think companies can use these tools effectively, again particularly among those loyal consumers who just can never get enough of that product, they will be searching out ways to become more engaged with that brand or that product and by feeding it to them in RSS or in a blog or in a pod cast, it will become very effective to that core group.

Stephan Spencer: Right, next question. How do you track and measure the impact of buzz marketing? This is a very important question, isn't it?

Jerry Neil: So, a few things here. I think number one, there is a number of sort of traditional ways that marketers try to get that impact of

word of mouth, so they might add questions to their tracking surveys, even phone-based surveys where, “How did you hear about this product?” and word of mouth is one of those entries.

There are other things looking at, if it is a pass-around video, looking at the links that pass you through to the website, that type of stuff. The thing that has always been hard to get at though is the actual conversation. How are people talking about the company and how is that changing over time? So I think one of the really neat things that has happened over the last few years is now that there is this database of natural conversations and those are the conversations that consumers are having online and message boards and in blogs and e-mail lists and product review sites, all those millions and millions of conversations can be archived and studied by a number of companies and you can start to figure out, number one, how word of mouth on the brand itself is changing.

So a lot of the work that we do looks at -- we have launched these five different marketing programs and some of them are nontraditional, some of them are traditional -- how is the needle moving on our brand word of mouth? So is it positive or more negative? Are people talking about our quality more because that is what the campaigns are focused on? That type of stuff. But then we can actually get down to the people talking about the specific campaign as well, so again if we are looking at sort of the impact of a viral video, how actively is that being passed around, how are people talking about that, are they connecting that to the brand, are they not connecting it to the brand, what is the impact on the brand if they are connecting it?

All of those conversations can now be captured because there is this database of word of mouth now. Unfortunately you cannot do that same thing offline because you do not have that database of word of mouth, it is impossible to capture and quantify the conversations that take place in a restaurant or bar, but a lot of those same conversations now take place online and you can study them to really gauge the impact of different marketing programs as well as overall brand of word of mouth and how that is changing over time.

Stephan Spencer: Dave?

Dave Balter: Well, I certainly, this is obviously a question that anybody who is in this space has faced, either as a marketer or someone who wants to figure out how to purchase word of mouth or buzz. I think the first thing is that a lot of folks initially lean towards,

well, I am going to measure this through some CPM or CPA or some traditional type of measurement matrix which just cannot work.

You certainly can measure buzz marketing as they did with the G6, which I will come back to, by a number of impressions and PR hits, but it did not really work, so what is the value? Subservient Chicken, according to Hitwise, McDonald's web traffic was higher during the time of Subservient Chicken than Burger King's, so how did that really work? I think from a pure real matrix idea there are ways to measure it, so we often run campaigns regionally and then measure the lift in the campaigns with word of mouth versus without and certainly that is because we believe there is an integrated media here for helping, word of mouth is helping direct mail or helping television or PR, whatever it is.

But I think it comes back to something that, I believe it was Jim who said earlier about the net promoter effect which is Fred Ricard's theory, which is really putting it simply about finding and measuring your promoters or who would recommend your product in the future. And I think this really leads to where you really do measure this, which is understanding how many people are really communicating positively and negatively about your product. And so when we look at tracking and measuring our system, instead of to aggregate communications as they are occur in the marketplace, and analyze what is happening within those but certainly there is a measurement aligned to that, well, how many people are you getting to eventually want to promote your product in the long term? So we would look at it that way.

Stephan Spencer: Okay, and Emmanuel?

Emmanuel Rosen: Basically you start with the basics, especially if you are a small company by asking the basic question, "How did you hear about us?" and an important question, "How likely are you to recommend the company to a friend?" which is an important question in the one-number-you-need-to-grow idea.

If you ask a bunch of people or all of your customers before, after and during a buzz campaign, how did you hear about our products, you may get an idea to what extent your buzz campaign actually had a natural impact on the word of mouth among your customers. You can also measure impact on the sales, obviously if you do something as simple as a pass-along coupon. We did it with EndNote -- we knew exactly how many people, how many of our Macintosh users passed on a coupon, a special coupon that were limited to one copy to their friends who used Windows. And

Power Bar, by the way, in the very very early days actually did the same simple campaign, pass this on to a friend, and they knew exactly how many people actually did that.

Something I learned at the Word of Mouth Marketing Association meeting that I felt was interesting is how companies can fine tune their knowledge. There was presentation by Greg Wester from Soapbox Marketing was telling us how they can basically find out what is the best time after the person purchases the product to actually suggest their referral, to ask for referral. So if you sell for example, a new drug to a patient, asking him for a referral right after the purchase may not be the right thing to do because they still have not seen the impact, and the same is true for maybe a complex technology product that it takes time for the person to start liking and get excited about. So they can actually see when is the time that most referrals happen and more important, when these referral get the result. So obviously on the web you can get much more sophisticated and fine tune based on your measurements what exactly is the message and when to actually suggest the referrals.

Stephan Spencer: Jim, you have something to add?

Jim Nail: Yes, I will make a very quick point. One of my other areas here is marketing measurement, and a lot of marketers are employing what is called market mix modeling and these are statistical models where they take weekly sales data, match that up against weekly marketing spending data, and they will throw in some other effectors like the economy, consumer confidence, and it seems to me there is no reason they could not throw in some measure of buzz and use that as one of the variables to see how closely that correlates to sales and that is really what marketers are looking for. All the stuff about, how much buzz is there and how do people feel about my brand, that is all good. But the marketers are really really pushing and insisting on tying everything to sales not just to changes in attitudes.

Stephan Spencer: Let us move on to the next question. Is buzz something that an ordinary small business with a commodity product can effectively harness, are there companies that are not well suited to using buzz marketing? Jim?

Jim Nail: When I first thought about this topic, I would have said things like laundry and fast food would not be buzz-related categories because who really cares and we have talked about those examples. So I guess the question comes back to, do you really believe there is anything such as a commodity product, and there

is a school of thought that says, there is no such thing as a commodity product. Look at Morton Salt, it is the same chemical composition as any other kind of salt, but they have been able to create a brand. So I think if you believe you are commodity product but want to create buzz, then you need to take that step back and determine how can you create something that is differentiating? Is it through service like ___ or is it through a personality like Stonyfield Farms? I mean yogurt is yogurt, right? But they have created a personality and a soul around that brand that then people do want to talk about and share with their friends.

Stephan Spencer: Great point, all right next question. How should one stop, slow or counteract negative buzz ____, and examples. Has this done really well or really poorly? Dave?

Dave Balter: Again this certainly comes back to the marketer or the consumer owning this. I mean the consumer is going to own negative buzz or they are not going to own negative buzz, they are going to talk the way they want, however they want.

I certainly think that what you need to do is be transparent about what your product is doing. You need to face the consumer openly and honestly. You certainly need to pay attention to what people are saying and make changes as you see consumers talking. I mean, one of powers of buzz and word of mouth marketing is certainly around the capability to move or the need to move very quickly because consumers quickly... and consumers' thoughts are often willing to be adjusted as people learn things etc.

So I think people should not be worried about negative buzz as much as they are. I mean, we see a lot of things with negative buzz that is really positive. When there is loud enough noise with negativity, where people are saying negative things, a new group of consumers starts popping up, we call quiet advocates who actually come out to support a brand that is not being treated fairly. So sometimes with negative buzz you get some actual positive value, and then on the other side negative buzz is one of the best ways a company can learn what they are doing wrong and work on it. So negative buzz is going to happen. It is real, it is going to occur for everybody at some point. It is how you respond to it that is really important.

Stephan Spencer: Does anyone else want to chime in on this question? Okay, let us move on to the next question. Any secrets to share on creating an idea, message or offer that is irresistible? "Forward this pitch to

friend,” for example, does not seem to cut it, so what does? Emmanuel?

Emmanuel Rosen: Well, one thing I would say is keep it simple. I very often see messages that are just too complicated. In my previous life, I am originally from Israel and I was a copywriter in an advertising agency. I remember that once my boss came with a brief that this bank, First International Bank of Israel, was going to open their branches until 7:00 pm, so I sat down for a few days and I came up with all these brilliant campaigns that said it in a very clever way. I do not remember any of them because my boss ultimately convinced me that that was not the right thing to do, but we simply ran ads that were very small, very effective, little strips that just said, The First International is open till 7 pm, and that was a very successful way to convey this message.

And a lot of times I see ads and messages that companies put together that I struggle to find out what is the message, the real consumer benefit that is behind that, and sometimes I find it in small words in the text. So a company that wants to make sure that the message is reproduced in social networks need to put together messages that are first of all simple.

Sometimes you do not have such a clear competitive advantage, you want to put together a story that is unique in some way. Outrageous messages of course are more likely to be reproduced. Conflict is another thing that makes, in the entertainment industry obviously, you need to have conflicts in order for a story to be talked about. Again one thing that is really neat about this whole concept is the fact that a lot of times in word of mouth, and it is not always true in the case of a broadcast when somebody writes a blog, but in a typical word of mouth situation, the sender actually knows the recipients, it knows the specific situation of the recipient.

So as a company you can also create two or three or four unique and simple messages that the sender can choose based on the situation that the recipient is in. So they can select the most relevant message to the recipient. But again, you want to make it simple, engaging, if you can make it fun as well, that is fantastic, but do not let the creativity and our constant search for a want for creativity to really be in your way. First of all communicate the real benefit to the consumer.

Stephan Spencer: Ben, did you have some ideas?

Ben McConnell: Emmanuel is absolutely right that the simplicity makes the spread of buzz so much easier and facilitated so much faster, and I think simplicity is often dragged down by committees inside organizations represented by multiple departments who feel like they have to have their goals, their strategies represented somehow in the overall communication plan and therefore the communication plans get weighted down by just pure mass. I think one way that an organization could develop a unique or irresistible offer is to stop or to resist assuming what customers think, what customers believe to be true or what customers will find irresistible because there are a lot of omissions that I think that happens inside organizations where one person feels that they speak on behalf of their 10 billion customers and that is not always necessarily the case.

I think you can overcome that by involving customers into the buzz creation process itself and that could be a small group, it could be 12 people or it could be a larger panel of 100 people or a 1000 people to be able to test out some ideas or to even generate ideas at the outset, to test them and then maybe even democratically enough give them a vote. And this has worked pretty well for the Dean Campaign spin-off Democracy for America where they created a billboard campaign that was targeting Tom Delay in his own district of Texas. And there was a pretty good amount of buzz that was generated just within that own political group that they had an ownership of that and that became a buzz worthy campaign in some political circles.

Stephan Spencer: And that brings us to the last question. What will buzz marketing look like in a few years time? Dave?

Dave Balter: Well, certainly I think it is going to get more complex just with our learning, I mean even the formation of WOMMA and all these experts and researchers sharing information. I am personally quite impressed at how all the companies in the States have come together to share resources. I think we are going to get a lot more expertise out there about how to do this better, engage consumers, better measure trends, things like that.

I certainly think in a few years each company or companies with strong marketing and advertising practices will need to have organized word of mouth as part of their underlying marketing concept, or even their knowledge and research concept. They are going to need to engage with consumers much more differently and this will become part of a corporate product. You know, the lines between the company and a consumer are changing, they are blurring and I think buzz marketing will not be sort of this

outside, “How do we engage it?” but more, “Well, we are doing these things. Let’s work with our customers instead of marketing at them to make things happen.”

Stephan Spencer: Okay, and Emmanuel, what do you think? Where do you suppose is marketing headed?

Emmanuel Rosen: I agree with Dave. We are going to see more of it; it is going to be more complex. One issue I want to address is the issue of trust. We always talk about the fact that people do not trust any media as much as they used to, but the truth is also that people do not trust other people as much as they used to. And when I say other people, it is a general other, it is not their friends, that is important to realize.

Essentially fewer people agree with the statement that most other people can be trusted, if you compare it 1962 and 1999 you see a constant decline, and decline is not because people have changed their mind that much but because younger generations do not tend to be as trusting as older generations. So we see a shift with that, and I think where word of mouth will be in five or ten years also has to do with that to the extent that will create some disappointments among consumers. If people will think that companies are doing unethical things that they are encouraging people to do these undercover marketing schemes that we saw in 2000 and 2001. These types of things will reduce further the trust that other people put into word of mouth and at the same time they can increase the trust that people put into close friends.

So there is a difference here between people who you really know and you know their motivation, and just other people. So I think it will be interesting to see in five or ten years again where people are in terms of the extent they trust other people. One study from NOP World that they conducted in early 2005 showed that still, most people currently feel comfortable about the buzz agents’ model, basically about a company giving someone a product and asking them to spread the word about it and they feel that that person can still be trusted. But in the same way that large companies lost trust after a few scandals, that can also happen to buzz marketing and I think it is so important that WOMMA exists and the ethical code exists and so on.

Stephan Spencer: All right, well with that we will close the Thought Leaders Summit, thank you all very much for participating. I think we can all agree that buzz marketing clearly can be a powerful component of anyone’s marketing plan. Of course, wielding it effectively can be tricky, so thanks very much to our illustrious panel for

illuminating some of these hazards and potential opportunities -- who has done it right, who has done it not quite so right. We have some great fodder for doing a much more effective job at buzz marketing or word of mouth marketing in the future. Roy, any closing words?

Roy Young:

Well, I just want to also thank everyone for spending some time with us this morning. We really value your thinking and obviously you are all experts and gave us tremendous food for thought this morning. If you have any ideas of how we can actually create buzz from this very special event, please let us know. We feel that we had the "best of" attending a conference here on the subject of word of mouth marketing and we want to bring that to our subscribers.

We will be in touch with you and when the recording is available and of the transcript, so you will be hearing from us all shortly. Thanks again. I want to especially thank Stephan Spencer for organizing this panel discussion this morning and for managing the panel and all your input so well. So thanks, everyone, have a great day.